
Wholesale Electricity Market Rule Change Proposal Submission Form

RC_2011_14 Calculation of Availability Class Quantity Correction

Submitted by

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Submission

1. Please provide your views on the proposal, including any objections or suggested revisions.

Market Rule 4.5.12 (c) as part of the Long Term PASA determination, delivers a forecast related to a load duration curve for the availability of capacity. Its market impact comes from the link to Appendix 3 which requires the Reserve Capacity Requirement (**RCR**) to be met whilst allowing capacity to offer a lower number of hours of availability.

Appendix 3 has had effectively little relevance given sufficient Availability Class 1 capacity has been offered to meet the entire RCR. Even so the intention in MR 4.5.12 (c) does not align well with the table in Appendix 3 since the Reserve Capacity Mechanism market commencement in 2004.

In theory, how the Long Term PASA has been formulated and the how the IMO's has proceeded using the table in Appendix 3 could have created a forecasting shortfall by presuming an extra 24 hours for Availability Classes 2-4, though given the surplus in Availability Class 1 this shortfall was never a reality.

The rule change as proposed clarifies the forecasting process and better aligns it to the responsibilities placed upon the IMO as given in Appendix 3. Synergy therefore supports this proposed rule change as drafted, though further suggests that the IMO consider the removal of the column in Appendix 3 titled "Maximum Hours of Availability Per Year". Synergy considers with a correct wording of MR 4.5.12 (c) as given in the proposal rule change this column no longer serves a purpose. Its removal will also negate the strange behaviour certain DSP providers undertake is deciding which Availability Class to use for 48 hours of availability. By removing this column the title of the preceding column would need to be

changed to something like 'Hours of Availability Per Year' and the value of 96 changed to greater than 72 (>72).

2. Please provide an assessment whether the change will better facilitate the achievement of the Market Objectives.

This proposed rule change attempts to fix a simple error in the rules which will neither change the IMO's practises nor impact the market processes. Synergy agrees that this proposal needs to proceed with urgency, as a fast track change, to remove any confusion and allow a correct formulation for the 2012 Statement of Opportunity.

3. Please indicate if the proposed change will have any implications for your organisation (for example changes to your IT or business systems) and any costs involved in implementing these changes.

4. Please indicate the time required for your organisation to implement the change, should it be accepted as proposed.